



December 16, 2008

CC DOCKET NO. 02-6

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

Re: REQUEST FOR REVIEW

Applicant Name: MORRISON CHILD AND FAMILY SERVICES  
Billed Entity Number: 16025865  
Form 471 Application Number: 627820  
Funding Request Numbers: 1732396, 1736722

Dear Ms. Dortch:

We are writing to request a review of the funding denial we received from USAC for the above mentioned Funding Requests. A copy of the denial letter is attached in pdf format.

Funding was requested for a non-instructional facility which is essential for the transport of information to our instructional facilities. The denial was based on the rule which states:

**Eligibility of Priority 2 Services in On-site Non-instructional Facilities.**

The eligibility of internal connections provided to on-site non-instructional facilities continues to be limited by FCC rules as follows:

Support is not available for internal connections in non-instructional buildings of a school or school district or in separate administrative buildings of a library, unless those internal connections are essential for the effective transport of information to an instructional building of a school or to a non-administrative building of a library.

The denial letter indicates that “The *implication* of this statement is that the entity which the NIF supports should be listed on Block 4 of the Form 471 as an entity receiving services.” Our instructional facilities which receive services from our non-instructional facility were listed on the Form 471 627820 for Funding Year 2008 when it was originally submitted.

Subsequent correspondence from peer reviewer Mr. Mark Goldberg (attached) indicated that the instructional facilities were ineligible for Priority 2 funding based on the two-in-five rule and had to be deleted from the Form 471. In our response we complied with his directions to remove the instructional facilities from the Form 471. After those facilities

were removed from the Form 471 Mr. Goldberg responded “A non instructional facility may not apply for erate funding by itself and must be accompanied in receiving services by valid schools, eligible for P2 funding.”

We asked Mr. Goldberg to send us the documentation for the rule that states that a non-instructional facility must be accompanied by schools, eligible for P2 funding or point us to the link on the website with this specific wording but we did not receive this information. In our appeal to the USAC denial we also asked to be directed to the rule and/or location on the website which specifically supports the reason for the denial. Again we did not receive documentation of this interpretation of the rule. The final denial from USAC used the wording “the implication of this statement...” which indicates to us that to properly understand this rule we would need to be privy to USAC’s current interpretation. Also in the final denial we were instructed to see <http://www.usac.org/sl/applicants/step06/educational-purposes.aspx> for additional information. In reading this page on the website (once again) there is no wording which supports that the non-instructional facility must be accompanied by eligible instructional facilities.

The rule reads specifically that the non-instruction facility is eligible for Priority 2 funding if it is essential for transport of services to instructional facilities. Services at our non-instructional facility **are essential** to the transport of services to our instructional facilities. We believe we have complied with the rule and request the denial of Funding Requests 1732396, 1736722 be reversed and these funding requests be approved for Funding Year 2008.

If you have questions or need for information please contact me at (503) 258-4300 or via e-mail at [helen.pearson@morrisonkids.org](mailto:helen.pearson@morrisonkids.org).

Thank you so much for your time to review our appeal.

Most sincerely,

*Helen Pearson*

Helen E. Pearson  
Executive Assistant  
Morrison Child and Family Services

Enclosures:

Attachment 1 – email correspondence with Mr. Mark Goldberg  
Attachment 2 – appeal letter to USAC  
Attachment 3 – USAC Decision on Appeal

## Helen Pearson

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**From:** Goldberg, Mark [MGOLDBE@sl.universalservice.org]  
**Sent:** Thursday, July 17, 2008 12:19 PM  
**To:** Helen Pearson  
**Cc:** Mitch Alden  
**Subject:** RE: ERate App# 627820  
**Attachments:** image001.jpg

Helen Pearson,

Non Instructional Facilities are eligible for priority 2 funding only if they support eligible entities. A NIF can apply by itself (on block 4) for P2 funding but only if it supports an eligible entity. In this case, although the entities that the NIF supported were ineligible for internal connections because they were already funding for IC in 2 of 5 running years. Please note that in an appeal, you may reimburse USAC for funding committed/used during a prior funding year, to free up a funding year for this application.

Mark Goldberg  
SLD - PIA  
P(973) 581-5309 F(973) 599-6538  
[mgoldbe@sl.universalservice.org](mailto:mgoldbe@sl.universalservice.org)

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**From:** Helen Pearson [mailto:Helen.Pearson@morrisonkids.org]  
**Sent:** Thursday, July 17, 2008 3:08 PM  
**To:** Goldberg, Mark  
**Cc:** Mitch Alden  
**Subject:** FW: ERate App# 627820

Dear Mr. Goldberg:

We used USAC's web site to review P2 funding eligibility for Non-instructional sites. We were unable to find the applicable rule or information you refer to below. Attached is the documentation from the web site which we believe indicates our Non-Instructional location qualifies for priority 2 funding, per USAC rules, and this is the basis for our application.

If we missed the rule and or regulation you are citing below, would you please send us, for our records, the appropriate link and/or documentation to help us in the future.

Sincerely,

*Helen Pearson*

*Helen Pearson  
Executive Assistant  
Morrison Child and Family Services  
1500 NE Irving Street, Suite 250  
Portland OR 97232  
(503) 258-4300  
Fax: (503) 233-4359*

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**From:** Goldberg, Mark [mailto:MGOLDBE@sl.universalservice.org]  
**Sent:** Wednesday, July 16, 2008 8:37 AM  
**To:** Helen Pearson  
**Subject:** RE: ERate App# 627820

Helen Pearson,

The entity number you've listed is a non instructional facility. A non instructional facility may not apply for erate funding by itself and

12/16/2008

must be accompanied in receiving services by valid schools, eligible for P2 funding.

Mark Goldberg  
SLD - PIA  
P(973) 581-5309 F(973) 599-6538  
[mgoldbe@sl.universalservice.org](mailto:mgoldbe@sl.universalservice.org)

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**From:** Helen Pearson [mailto:Helen.Pearson@morrisonkids.org]  
**Sent:** Tuesday, July 15, 2008 5:46 PM  
**To:** Goldberg, Mark  
**Cc:** Mitch Alden  
**Subject:** FW: ERate App# 627820

Dear Mr. Goldberg:

We based our decision to apply for the services listed in FRNs 1732396 and 1736722 on the eligibility of entity number 16027570, the entity number for our administrative offices. The internal connections at the administrative offices serve as a conduit for information to be retrieved from other servers. 16027570 should have been included on the 471 as part of the master entity for Morrison Child and Family Services 1602586 and was inadvertently left off the 471. From the 2-in-5 tool eligibility summary entity 16027570 is eligible for internal connections funding in FY08 (see attached).

We are aware that the entities you listed below are ineligible for internal connections services this year and should not have been included in these FRNs.

1. Breakthrough
2. Counterpoint-Residential/Day Treatment Program Children's Campus at Edgefield
3. Hand in Hand Early Childhood Services
4. Rosemont Treatment Center and School

**Is it possible to amend FRNs 1732396 and 1736722 to include entity 16027570 for funding year FY08?**

I apologize for the errors in this 471 application and the additional work it has required by you and your staff. I am still very new to these processes and have a great deal to learn.

Thank you so much for your consideration of this request. Please let me know if you require additional information.

Sincerely,

Helen Pearson  
Executive Assistant

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**From:** Goldberg, Mark [mailto:MGOLDBE@sl.universalservice.org]  
**Sent:** Monday, June 30, 2008 1:37 PM  
**To:** Helen Pearson@1-503-2334359  
**Cc:** Helen Pearson  
**Subject:** ERate App# 627820

**USAC**

Universal Service Administrative Company

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**Schools and Libraries Division**

Helen Pearson  
MORRISON CHILD AND FAMILY SERVICES

12/16/2008

Telephone:  
Application Number

(503) 2584300  
627820

**Response Due Date: 07/15/2008**

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2008 Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2008 Form 471 Application. To complete our review, we need some additional information. The information needed to complete the review is listed below.

We have completed our review and determined that FRNs **1732396** and **1736722** will be denied. These FRNs will be denied because the request is for service to entity(ies) that is/are ineligible to receive funding based on the "Two-in-Five Rule" for Internal Connections. Per program rules, entities are only able to receive support for Internal Connections in two of every five years. This entity has received support for two approved Internal Connections funding requests in a five year rolling period and has exhausted its two years for support. For additional guidance on the Two-in-Five rule, please refer to the USAC website at <http://www.usac.org/sl/applicants/step06/two-out-of-five-rule.aspx>. Listed below is the ineligible entity(ies) or location(s):

5. **Breakthrough**
6. **Counterpoint-Residential/Day Treatment Program Children's Campus at Edgefield**
7. **Hand in Hand Early Childhood Services**
8. **Rosemont Treatment Center and School**

If the FRN should not be denied and you have alternative information to demonstrate the entity(ies) did not violate the Two-in-Five Rule, please provide the supporting documentation.

If you fail to respond to this email within 15 days, we will perform the action(s) listed above.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to do so may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Mark Goldberg  
Schools and Libraries Division  
Program Integrity Assurance  
Phone (973) 581-5309  
Fax (973) 599-6538  
[mgoldbe@sl.universalservice.org](mailto:mgoldbe@sl.universalservice.org)

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September 24, 2008

Letter of Appeal  
 Schools and Libraries Division - Correspondence Unit  
 100 S. Jefferson Road, P.O. Box 902  
 Whippany, NJ 07981

Re: Letter of Appeal Regarding Decision in FCDL dated August 5, 2008 for Funding Year 2008  
 BEN Name: Morrison Child and Family Services  
 Form 471: 627820; BEN: 16025865  
 Billed Entity FCC RN: 0011928020; Applicant's Form Identifier: 471-08B

Dear Sirs:

We are writing to appeal the denial of Funding Request Numbers 1732396 and 1736722. The reason for denial stated in the FCDL was:

Funding Commitment Decision: \$0.00 - 2 in 5 Rule Violation  
 Funding Commitment Decision Explanation: DR1: FRN 1732396 is denied since the entity: MORRISON CHILD AND FAMILY SERVICES is not eligible to receive funding for internal connections. This entity is a Non-Instructional Facility and none of the entities associated with this Non-Instructional Facility are eligible to receive funding for internal connections. Per program rules, entities are only able to receive support for Internal Connections in two of every five years. The entities associated with the Non-Instructional Facility have received support for Internal connections funding requests in a five year rolling period and have exhausted their two years for support. Therefore the Non-Instructional Facility is ineligible to receive funding.

In an e-mail from our PIA reviewer dated July 16, 2008, Mr. Mark Goldberg stated: "The entity number you've listed is a non instructional facility. A non instructional facility may not apply for erate funding by itself and must be accompanied in receiving services by valid schools, eligible for P2 funding."

When we asked Mr. Goldberg to direct us to the portion of the USAC website which provides the above statement he responded on July 17: "Non Instructional Facilities are eligible for priority 2 funding only if they support eligible entities. A NIF can apply by itself (on block 4) for P2 funding but only if it supports an eligible entity. In this case, although the entities that the NIF supported were ineligible for internal connections because they were already funding for IC in 2 of 5 running years. Please note that in an appeal, you may reimburse USAC for funding committed/used during a prior funding year, to free up a funding year for this application." However, he did not provide a link to where this rule is located on the USAC website.

When we received the FCDL denying funding we contacted the USAC Ombudsman's Office for review and clarification of the denial. The response we received from the Ombudsman was the following rule:

<http://www.usac.org/sl/applicants/step06/educational-purposes.aspx>

**Eligibility of Priority 2 Services in On-site Non-instructional Facilities.**

The eligibility of internal connections provided to on-site non-instructional facilities continues to be limited by FCC rules as follows:



Support is not available for internal connections in non-instructional buildings of a school or school district or in separate administrative buildings of a library, unless those internal connections are essential for the effective transport of information to an instructional building of a school or to a non-administrative building of a library.

Please note this rule applies to eligibility for priority 2 services not to the 2 in 5 rule which is the reason cited for denial. The above rule says:

Support is not available for internal connections in non-instructional buildings of a school or school district or in separate administrative buildings of a library, **unless those internal connections are essential for the effective transport of information to an instructional building of a school or to a non-administrative building of a library.**

As we pointed out during the PIA review the internal connections requested for our non-instructional facility ARE essential for the transport of information to our schools which is in compliance with the stated rule. This rule does not indicate that the instructional building(s) must be eligible for funding.

The reason for denial given in the FCDL was "2 in 5 Rule Violation" which states:

<http://www.universalservice.org/sl/applicants/step06/two-out-of-five-rule.aspx>

Discounts for Internal Connections are available to an eligible entity two of every five funding years.

Starting in Funding Year 2005, eligible entities will only be able to receive support for Internal Connections in two of every five funding years. This applies to **individual recipients (individual school, library, or non-instructional facility)**.

For each eligible entity, the five-year period begins in any year, starting with Funding Year 2005, in which that entity receives support for Internal Connections. Entities can use two years within any five-year period.

As noted in the rule, eligibility applies at the individual recipient level including non-instructional facilities. We are unable to find anything in the rule which indicates that associated school entities must be eligible in order for the non-instructional facility to be eligible.

Per the 2 in 5 tool on the USAC website, our non-instructional facility was eligible for Internal Connections funding for Funding Year 2008 and we believe the denial of our request for funding for Internal Connections is in error based on our reading of the rule and the information provided to us by USAC as the reason for denial.

We would appreciate your review and reconsideration of our funding request for internal connections for Funding Year 2008. These services are crucial for transport of information to our schools. Should you need further information or clarification, please contact me at (503) 258-4300 or via e-mail at [Helen.pearson@morrisonkids.org](mailto:Helen.pearson@morrisonkids.org). Thank you for your time and consideration.

Sincerely,



Helen E. Pearson  
Executive Assistant



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2008-2009**

October 22, 2008

Helen E. Pearson  
Morrison Child and Family Services  
1500 NE Irving Street, Suite 250  
Portland, OR 97232

Re: Applicant Name: **MORRISON CHILD AND FAMILY SERVICES**  
Billed Entity Number: 16025865  
Form 471 Application Number: 627820  
Funding Request Number(s): 1732396, 1736722  
Your Correspondence Dated: September 24, 2008

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2008 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1732396, 1736722  
Decision on Appeal: **Denied**  
Explanation:

- Upon thorough review of the appeal letter and the relevant documentation, the USAC has determined that Funding Request Numbers (FRNs) 1732396 and 1736722 were properly denied. USAC has determined that both FRNs include services to the following Non-Instructional Facility: MORRISON CHILD AND FAMILY SERVICES (BEN 16025865). As is noted on USAC's website, "Support is not available for internal connections in non-instructional buildings of a school or school district or in separate administrative buildings of a library, unless those internal connections are essential for the effective transport of information to an instructional building of a school." The implication of this statement is that the entity which the NIF supports should be listed on Block 4 of the Form 471 as an entity receiving services. Per documentation provided by you,

the following entities were removed from the Block 4 of your Form 471; ROSEMONT TREATMENT CENTER AND SCHOOL (BEN 16025974), HAND IN HAND EARLY CHILDHOOD SERVICES (BEN 16025973), COUNTERPOINT RESIDENTIAL AND DAY TREATMENT (BEN 16025972), BREAKTHROUGH DRUG & ALCOHOL PROGRAM-DAY TREATMENT (BEN 16020377), EDGEFIELD DAY TRATMENT (BEN 113174). This resulted in the Non-Instructional Facility, MORRISON CHILD AND FAMILY SERVICES, being the only entity to receive services. Per the statement above, this entity is not eligible to receive Priority 2 services. See <http://www.universalservice.org/sl/applicants/step06/educational-purposes.aspx> for additional information regarding Eligibility of Priority 1 and Priority 2 Services. Consequently, your appeal has been denied.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

Helen E. Pearson  
Morrison Child and Family Services  
1500 NE Irving Street, Suite 250  
Portland, OR 97232

Billed Entity Number: 16025865  
Form 471 Application Number: 627820  
Form 486 Application Number: